GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:1820
ANSWERED ON:30.07.2015
PPP in Shipping Sector
Ramachandran Shri Krishnan Narayanasamy

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government proposes to allow Public Private Partnership in shipping industry;
(b) if so, the details thereof along with the areas it is likely to be allowed in shipping industry; and
(c) the steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)
(a)&(b):The PPP Projects are permitted in Major Ports since 1996. The areas for private sector participation in Major Ports include the following:
(i) Construction and Operation of Container Terminals, Bulk, Break-Bulk, Multipurpose and specialised cargo berths, Warehousing, Container Freight Stations, Storage Facilities and Tank Farms, Dry Docking Facilities, and Ship Repairing Facilities.
(ii) Leasing of equipment for port handling and floating crafts from private sector
(iii) Auxiliary Port Services (like Pilotage, Tugging and Mooring)
(iv) Captive facilities for port based industries
(c) To facilitate investment in Port projects Government has taken the following steps:
1. 100% FDI under the automatic route is available for Port development projects.

2. Bidding documents like RFQ, RFP and Concession Agreement have been standardized.
3. Port Development projects have been accorded infrastructure sector status. This makes them eligible for tax benefits as are applicable.
4. In order to expedite investment approval, Ministry of Shipping has been delegated enhanced powers for appraisal/approval of PPP Projects up to Rs. 1000 crores on the lines of the Ministry of Road Transport & Highways.
5. Procedure for Security Clearance for bidder for PPP projects in Ports have been streamlined.

At present, 41 PPP projects have been completed and 30 are under implementation in Major Ports.
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